



شركة الأمل للاستثمارات المالية  
Al-Amal Financial Investment Co



19<sup>TH</sup> Annual Report

# Al-Amal Financial Investments Company

Public Limited Shareholding Co.



شركة الأمل للاستثمارات المالية  
Al-Amal Financial Inv. Co

Certified financial broker at the Amman Stock Exchange

**19<sup>th</sup> Annual Report**

# Financial Statements

as on

**31/12/2023**





His Majesty King Abdullah II Ibn Al-Hussein





His Royal Highness Crown Prince Al-Hussein bin Abdullah II



**Board of Directors**  
**31/12/2023**

- H.E. Omar Zuheir Abdel Fattah Malhas– Chairman of the Board
- Ali Hussain Ali Al-Sada – Vice Chairman

**Members:**

- H.E. Husain Hazza Barakat Majali
- Ma'en Omar Suleiman Al-Masri
- Thabet Issa Ayed Alwir
- Ammar Khaldoun Abdel Fattah Malhas
- Dia Ahmed Mahmoud Nasser
- Bader Ali Hussein Al-Sada
- Ahmad Ibrahim Alsayed AlHashem

**Auditor**

- Ernst and Young





## Chairman's Statement

Honorable Shareholders,

I am honored to present the Company's 19th annual report that summarizes our achievements, financial results, and future plans. Irrespective of the prevailing regional political turmoil, the Jordanian Financial and Economic indicators showed improvement in 2023, this improvement helped the company to achieve acceptable results through prudent planning, thorough follow up and implementation of adaptable and cautious business practices.

2023 was the administrative turnaround, the Company completed the digitization of all processes, including compliance processes, implementation of an electronic local shares trading system, digital risk systems to prevent accidental clients' overdraft and financing of undesirable shares, digital invoice issuing and archiving processes, digital clients signature request and verification, advanced digital information security and firewalls, cloud based systems high availability and disaster recovery, digitizing fixed assets register, digitizing human resource operations, as well as digitizing settlements of bank accounts, digital control of company's expenses to totally align with the budget. Additional emphasis was exerted to strengthen the internal audit function to ensure compliance and protect the Company and Shareholders.

During 2023, Alamal Financial Investment Co. continued with endeavors to collect receivables including carrying out the necessary legal collection procedures aiming at maximizing collections in order to strengthen the financial status, enhance liquidity, improve ability to compete and achieve revenues. At the same time the company captured nearly 16 million JOD of the trading volume at Amman Stock Market in 2023. All this reflected positively on the Company's financial performance as net profit before tax amounted to 0.234 million JOD. Accordingly, the book value of Alamal's share stood at 0.90 JOD. This is an indication of the continued building of a solid base for the Company and its financial results and indicators.

Alamal continued to assume its corporate social responsibility role by supporting several charitable initiatives in the governorates.

I would like to thank the Securities Commission and the Amman Financial Market for their important role in managing the capital market. I also thank the Companies Controller for their continuous efforts.

Sincere thanks to our Shareholders and Customers for their valuable trust and support. Special appreciation to my fellow members of the Board and Staff members for their vital role and continued patronage.

May God bless and protect Jordan under the leadership of His Majesty King Abdullah II.

Respectfully yours,

Chairman  
Omar Z. Malhas



## Company Information

### 1. A - Main activities

Alamal Financial Investment Company is a broker at the Amman Stock Exchange, for both proprietary and clients. It also trades stocks on margin and can trade on foreign exchanges for clients.

### B - Location and Staff

Location	Branch/Office	Number of Staff
4th floor, the Commercial Complex Shmeisani – Amman / Jordan	Main Office	9
3rd floor, the Commercial Complex Shmeisani – Amman / Jordan	Board and Administrative Office	0
<b>Total</b>		<b>9</b>

There are no other branches inside or outside Jordan.

### C - Capital investments:

The company's capital investments amounted to 2.6 million JOD.

### 2. There are no affiliates.

### 3.A. Profile of Board Members

Name	H.E. Omar Zuheir Abdel Fattah Malhas
Position	Chairman of the Board of Directors
Membership date	28-03-2019 and was re-elected on 10-05-2023
Date and place of birth	Salt – Jordan 30-3-1960
Academic Qualifications	<ul style="list-style-type: none"> <li>1991 Masters of Business Administration / International Banking and Finance from the University of Birmingham / UK.</li> <li>1982 BA in Business Administration / Economics from the University of Louisiana / USA</li> </ul>
Current Board Memberships	<ul style="list-style-type: none"> <li>Chairman: Credit Card Services Company.</li> </ul>
Important positions held	<ul style="list-style-type: none"> <li>2015-2018 Minister of Finance.</li> <li>2010-2015 General Manager of the Housing Bank / Jordan.</li> <li>2009-2010 Head of Banking Group at Housing Bank / Jordan.</li> <li>2004-2009 Executive Manager of Treasury and Investment Department at Housing Bank / Jordan.</li> <li>2002-2004 Executive Manager at the Foreign Relations and Investment Department at the Housing Bank / Jordan.</li> </ul>

Name	H.E. Omar Zuheir Abdel Fattah Malhas
	<ul style="list-style-type: none"> <li>• 200-2002 Senior Manager at the Alliance Capital Management / Bahrain Office (one of the largest investment institutions in the world).</li> <li>• 1999-2000 Deputy General Manager at Doha Bank / Qatar.</li> <li>• 1998-1999 Executive Manager of Treasury, Investment and Private Banking Services at Doha Bank / Qatar.</li> <li>• 1997-1998 Manager of the International Investments Center at the Housing Bank / Jordan.</li> <li>• 1995-1997 Manager of the Treasury Center at the Housing Bank / Jordan.</li> <li>• 1991-1995 Head of Correspondent Banking and International Banking Operations Unit at Housing Bank / Jordan.</li> <li>• 1988-1990 Head of the Investment Unit at the Housing Bank / Jordan.</li> <li>• 1987-1988 Head of the Foreign Relations and Investment Unit at the Housing Bank / Jordan.</li> <li>• 1986-1987 Member of the Branch Operations Development Group at Housing Bank / Jordan in cooperation with Citibank / New York.</li> <li>• 1985-1986 Staff member in the Foreign Relations Department of the Housing Bank / Jordan.</li> <li>• 1984-1985 Audit Officer at the Housing Bank / Jordan.</li> <li>• 1982-1984 Conscript - Jordan Armed Forces.</li> </ul>
Previous board memberships	<ul style="list-style-type: none"> <li>• Member: Al- Tajamouat Company for Tourism Projects (representative of Al-Amal Company for Financial Investments).</li> <li>• Member: Royal Jordanian Airlines</li> <li>• Chairman: The Electricity Distribution Company.</li> <li>• Vice Chairman: The Specialized Leasing Company (a subsidiary of the Housing Bank).</li> <li>• Vice Chairman: Kingdom Group for Investment.</li> <li>• Member: Jordan International Bank / London (a bank affiliated to the Housing Bank).</li> <li>• Member: The International Bank for Trade and Finance / Syria (a bank affiliated to the Housing Bank).</li> <li>• Member: The Housing Bank for Trade and Finance / Algeria (a bank affiliated to the Housing Bank).</li> <li>• Member: International Financial Center / Jordan (a brokerage company affiliated with the Housing Bank).</li> <li>• Member: King Abdullah II Center for Design and Development (KADDB).</li> <li>• Member: Social Security Investment Fund.</li> <li>• Member: Association of Banks in Jordan.</li> <li>• Member: Institute of Banking Studies / Jordan.</li> </ul>



<b>Name</b>	<b>Ali Hussain Ali Al-Sada</b>
<b>Position</b>	Vice Chairman of the Board of Directors
<b>Membership date</b>	28-03-2019 and was re-elected on 10-05-2023
<b>Date of birth</b>	22-1-1962
<b>Academic qualifications</b>	<ul style="list-style-type: none"> <li>1984 Bachelor of Islamic Sciences - Qatar University.</li> </ul>
<b>Practical experience</b>	<ul style="list-style-type: none"> <li>From 1998 until now, Member of the Board of Directors and General Manager of Al-Ruwais Real Estate and Investments Company - State of Qatar.</li> <li>From 2008 until now, a board member and owner of the largest stake in Dlala Brokerage and Investment Company in the Qatar Stock Exchange - Qatar.</li> <li>From 2008 until now, Vice Chairman of the Board of Directors and founding member of Tharawat Investment House / Kingdom of Bahrain.</li> <li>From 2008 until now, Chairman of the Executive Committee of Tharawat Investment House / Kingdom of Bahrain</li> <li>From 2021 until now, a member of the Board of Directors of Suhail Marine Services Company.</li> <li>1998-2022 Member of the Board of Directors of Qatar National Bank - State of Qatar.</li> <li>1998-2022 Member of the Special Executive Committee of Qatar National Bank - State of Qatar.</li> <li>One of the major shareholders and investors in the Stock Exchange {Qatar &amp; Dubai &amp; Abu Dhabi}.</li> <li>Founder of the First Financial Brokerage Company / Syria.</li> <li>2006-2021 Member of the Executive Committee of Al-Safwa Financial Services Company / Dubai - UAE.</li> <li>2006-2021 Member of the Board of Directors and Founder of Al Safwa Financial Services Company - Dubai - UAE.</li> <li>Until 2018, Member of the Board of Directors of Ras Al Khaimah Cement Company - UAE.</li> <li>From 2001 to 1/2019, Member of the Board of Directors of Halul Marine Services Company - State of Qatar.</li> <li>From 2009 to 2015, Chairman of the Board of Directors of the Syrian Qatari Company for Investment and Development / Syrian Arab Republic.</li> </ul>

<b>Name</b>	<b>H.E. Husain Hazza Barakat Majali</b>
<b>Position</b>	Member of the Board of Directors
<b>Membership date</b>	19-05-2021 and was re-elected on 10-05-2023
<b>Date of birth</b>	Karak-Jordan 1960
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• Master's degree in military sciences / Mutah University 2000.</li> <li>• BA in Military Administration / Mutah University 1994.</li> <li>• BA in Political Science / USA 1981.</li> </ul>
<b>Important positions held</b>	<ul style="list-style-type: none"> <li>• Minister of Interior from 30/3/2013 to 18/5/2015.</li> <li>• General / Director of Public Security - from 10/5/2010 till 30/3/2013.</li> <li>• The Kingdom's ambassador to the Kingdom of Bahrain from January 2005 to May 2010.</li> <li>• Major General in the Jordanian Armed Forces on July 1, 2002.</li> <li>• Senior private security officer in the Royal Private Guard.</li> <li>• Military escort of His Highness Prince Mohammed bin Talal.</li> <li>• Commander of the Hamza bin Abdul Muttalib Brigade (Master of the Martyrs), the Royal Guard.</li> <li>• Commander of the Royal Military College.</li> <li>• Land Forces Director - Royal War College.</li> </ul>
<b>Decorations and badges</b>	<ul style="list-style-type: none"> <li>• The Order of the Rising Sun (Golden and Silver Star) - awarded to him by His Majesty the Emperor of Japan.</li> <li>• Administrative and technical competence.</li> <li>• Badge and medal badge of the Summit of Accord and Agreement.</li> <li>• Fourth Class Military Merit Medal.</li> <li>• Medal of Independence, first class</li> <li>• Medal of Independence, second degree.</li> <li>• Sincere Service Appreciation Badge.</li> <li>• Training Proficiency Badge.</li> <li>• Leadership competency badge.</li> <li>• Premium Security Badge.</li> <li>• Judicial Police Badge.</li> <li>• Jordan International Center badge.</li> </ul>

<b>Name</b>	<b>Ma'en Omar Suleiman Al-Masri</b>
<b>Position</b>	Member of the Board of Directors
<b>Membership date</b>	28-03-2019 and was re-elected on 10-05-2023
<b>Date of birth</b>	15-9-1958
<b>Academic Qualifications</b>	1974 high school diploma
<b>Practical experiences</b>	1976 till now: Businessman in general trade and building materials.



<b>Name</b>	<b>Thabet Issa Ayed Alwir</b>
<b>Position</b>	Member of the Board of Directors
<b>Membership date</b>	18-04-2019 and was re-elected on 04-07-2023
<b>Date of birth</b>	February 11, 1957
<b>Academic Qualifications</b>	1980 Bachelor's Degree / Agricultural Machinery Engineering from Oklahoma State University / USA
<b>Current positions</b>	<ul style="list-style-type: none"> <li>Chairman of the Board of Directors of the First Sabeel Investment Projects Company</li> <li>The International Water Company (Qatar)</li> <li>Aqua Investments Company.</li> </ul>
<b>Previous Memberships</b>	<ul style="list-style-type: none"> <li>President of the Investment Authority</li> <li>Chairman of the Board of Directors of the Zarqa Chamber of Industry</li> <li>Member of the Board of Directors of the Jordan Chamber of Industry</li> <li>Member of the Board of Directors / Social Security Corporation</li> <li>Member of the Board of Directors of the Housing Bank for Trade and Finance</li> <li>Member - Scientific Research Council / University of Jordan</li> <li>Member of the Board - Al-Rai Newspaper</li> </ul>

<b>Name</b>	<b>Ammar Khaldoun Abdel Fattah Malhas</b>
<b>Position</b>	Member of the Board of Directors
<b>Membership date</b>	28-03-2019 and was re-elected on 10-05-2023
<b>Place and date of birth</b>	Salt – Jordan 8/6/1959
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>1981 MSc in Structural Engineering from the University of Wisconsin - Milwaukee / America.</li> <li>1980 Bachelor's in Civil Engineering from the University of Wisconsin - Milwaukee / America.</li> </ul>
<b>Practical experiences</b>	<ul style="list-style-type: none"> <li>2014 to date Member of the Board of Directors of Al-Hayat Pharmaceutical Industries (Public Shareholding).</li> <li>1984 to 2022, Chairman and Partner of the Jordanian Ammon Construction Company (Limited Liability).</li> <li>2008-2011 Member of the Board of Trustees at Franklin University - Lugano / Switzerland</li> <li>2008-2010 General Manager and Chairman of the Board of Directors of Ammon Emirates Construction Company / Abu Dhabi - UAE.</li> <li>2003-2006 Member of the Board of Trustees and Chairman of the Buildings Committee at the King's Academy</li> </ul>

Name	<b>Ammar Khaldoun Abdel Fattah Malhas</b>
	<ul style="list-style-type: none"> <li>• 2001-2006 Engineering Adviser in the Royal Hashemite Court</li> <li>• Work experience of nearly 40 years in the fields of administration, engineering, and construction</li> </ul>

Name	<b>Dia Ahmed Mahmoud Nasser</b>
Position	Member of the Board of Directors
Membership date	12-01-2020 and was re-elected on 10-05-2023
Date of birth	23-9-1963
Academic degrees	1986 bachelor's degree in business administration / University of Kashmir.
Practical experience	Investment manager in Qatar Bank.

Name	<b>Bader Ali Hussein Al-Sada</b>
Position	Member of the Board of Directors
Membership date	4-7-2023
Date of birth	17-12-1987
Academic degrees	Diploma in Accounting
Practical experience	<p>2023 – now: Board member of Credit Card Services Co. – Amman/Jordan</p> <p>Customers' Relationship Manager at QNB Ruwais/Qatar</p> <p>Deputy Chairman of AISada Trade and Contracting Co. Ruwais/Qatar.</p>

Name	<b>Ahmad Ibrahim Alsayed AlHashem</b>
Position	Member of the Board of Directors
Membership date	4-7-2023
Date of birth	19-12-1960
Academic degrees	1404 Hijri - Bachelor's is Islamic Shari'a – Imam Mohammed bin Saud Islamic University
Practical experience	<ul style="list-style-type: none"> <li>• Taught a number of Islamic training courses outside the Kingdom of Saudi Arabia.</li> <li>• Islamic Authorized Marriage Contract Official in Al-Ahsa/Saudi Arabia.</li> <li>• Member of the Da'wah Advisory Committee in Al-Ahsa/Saudi Arabia.</li> <li>• Member of the local council in Al-Ahsa.</li> <li>• Chairman of the Elite Committee of Prince Mohammed bin Fahd bin Jalawi Award for the Qur'an, Sunnah and Islamic Speeches / Saudi Arabia.</li> <li>• Chairman of the Board of Directors of the Cooperative Office for Da'wah and Guidance in Haradh/Saudi Arabia.</li> </ul>





Name	Ahmad Ibrahim Alsayed AlHashem
	<ul style="list-style-type: none"> <li>Chairman of the Board of Directors of the Cooperative Office for Da'wah and Guidance in Al-Ahsa/Saudi Arabia.</li> <li>Member of the Supreme Committee for Reconciliation in Al-Ahsa/ Saudi Arabia.</li> <li>Supervisory assignment by the Royal Court to represent the Ministry of Islamic Affairs in Al-Ahsa Governorate/Saudi Arabia.</li> <li>Vice Chairman of the Sub-Council of Awqaf in Al-Ahsa/Saudi Arabia.</li> <li>Chairman of the Committee – Awqaf Caretaking in Al-Ahsa/Saudi Arabia.</li> <li>Director General of the Department of Awqaf, Mosques, Da'wah and Guidance in Al-Ahsa/ Saudi Arabia from 1426 Hijri to 1440 Hijri.</li> <li>Director General of the Department of Da'wah and Guidance in Al-Ahsa/Saudi Arabia from 1415 Hijri to 1426 Hijri.</li> <li>Preacher at the Center for Da'wah and Guidance in Al-Ahsa/Saudi Arabia from 1405<sup>1</sup> Hijri to 1415 Hijri.</li> </ul>

### 3.B.1 Senior management profile

Name	Safwat Ismail Ahmad Abu Shammaleh
Position	General Manager
Appointment Date	27-04-2021
Date of birth	14-04-1974
Academic Qualifications	<ul style="list-style-type: none"> <li>2009 Bachelor's of Accounting - University of Petra.</li> <li>1994 Diploma in Banking and Financial Sciences - Intermediate University College.</li> </ul>
Practical experience	<ul style="list-style-type: none"> <li>General Manager of Al-Amal Financial Investments Company from 27/4/2021.</li> <li>Acting General Manager of Al-Amal Financial Investments Company from 1/9/2019-27/4/2021.</li> <li>Brokerage Manager for Al-Amal Financial Investments Company from 1/1/2012-1/9/2019.</li> <li>The course of trading in foreign exchanges and currency trading (FOREX)</li> <li>Qualification course for the Jordanian chartered accountant exam.</li> <li>1995 - 2005 Al-Amal Financial Investments Company LLC.</li> <li>2005 - until now, a financial broker in Al-Amal Financial Investments Company PJSC.</li> <li>1-1-2012 to 1-9-2019 Brokerage Manager at Al-Amal Financial Investments Company Eng. p.</li> <li>9-1-2019 to 04-27-2021 Acting General Manager at Al-Amal Financial Investments Company PJSC.</li> <li>27-4-2021 General Manager of Al-Amal Financial Investments Co. PJSC</li> </ul>

<b>Name</b>	<b>Moutaz Farouk Sulaiman Alshami</b>
<b>Position</b>	Deputy General Manager
<b>Appointment Date:</b>	8-2-2022
<b>Date of birth</b>	5-11-1982
<b>Academic degrees</b>	Bachelor's of Computer Science
<b>Practical experience</b>	<ul style="list-style-type: none"> <li>• Secretary of the Board and Committees from 1/5/2020</li> <li>• Head of Trading at Alamal Financial Investments Co from 1/9/2019.</li> <li>• Certified financial broker.</li> </ul>

<b>Name</b>	<b>Samia Mahmoud Suleiman Al-Shahed</b>
<b>Position</b>	Chief Financial Officer
<b>Appointment Date</b>	3-7-2022 – Resigned on 2-1-2024
<b>Date of birth</b>	8-9-1977
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• 2007 Masters of Accounting from the Arab Academy for Financial and Banking Sciences - Jordan</li> <li>• 1999 Bachelor's of Accounting, University of Applied Sciences</li> <li>• JCPA</li> </ul>
<b>Practical experience</b>	<ul style="list-style-type: none"> <li>• 12-2021 to 6-2022 Al Bushra Audit &amp; Tax Consultancy Company - Auditor and Accounting Consultant.</li> <li>• 10-2020 to 8-2021 Intisar Al-Kayed Office for Auditing, Tax Consulting and Feasibility Study - Auditor and Accounting Consultant.</li> <li>• 2-2020 to 10-2020 Jordan Association of Certified Public Accountants-Accountant.</li> <li>• 3-2007 to 1-2020 First International Securities Company Financial Manager</li> <li>• 2000-2006 United Financial Investments Company - Financial Manager.</li> </ul>

<b>Name</b>	<b>Madeha Mohammad Ali Bani Saeed</b>
<b>Position</b>	Compliance Officer
<b>Appointment Date</b>	17-11-2021
<b>Date of birth</b>	1-4-1981
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• 2003 Bachelor's degree in Finance and Banking - Yarmouk University</li> </ul>
<b>Practical experience</b>	<ul style="list-style-type: none"> <li>• 3/ 2017 - 9/2018 Department of Statistics</li> <li>• 7/2015 – 5/2016 Sales Executive at Edarah.com</li> </ul>



#### 4. Major shareholders and their holdings compared to the previous year:

S/N	Name	Holdings on 31/12/2022	Percentage	Holdings on 31/12/2023	Percentage
1	Ali Hussein Ali Al-Sada	8,555,741	57.04	9,325,679	62.17
2	Bader Ali Hussein Al-Sada	1,409,290	9.40	1,389,935	9.27
3	Abdullah Ali Hussein Al-Sada	1,223,682	8.16	1,121,611	7.48

#### 5. Company's competitive position and its share in the Amman Stock Exchange:

Year	Total trading volume (JOD)	Company's share	Ranking among brokers in terms of trading volume
2019	157,470,679	4.80%	4
2020	43,313,885	1.99%	20
2021	25,866,011	0.64%	37
2022	24,780,038	0.62%	39
2023	15,838,166	0.52%	40

6. There is no dependence on specific suppliers or major domestic and external customers who constitute (10%) or more of the total purchases and / or sales.

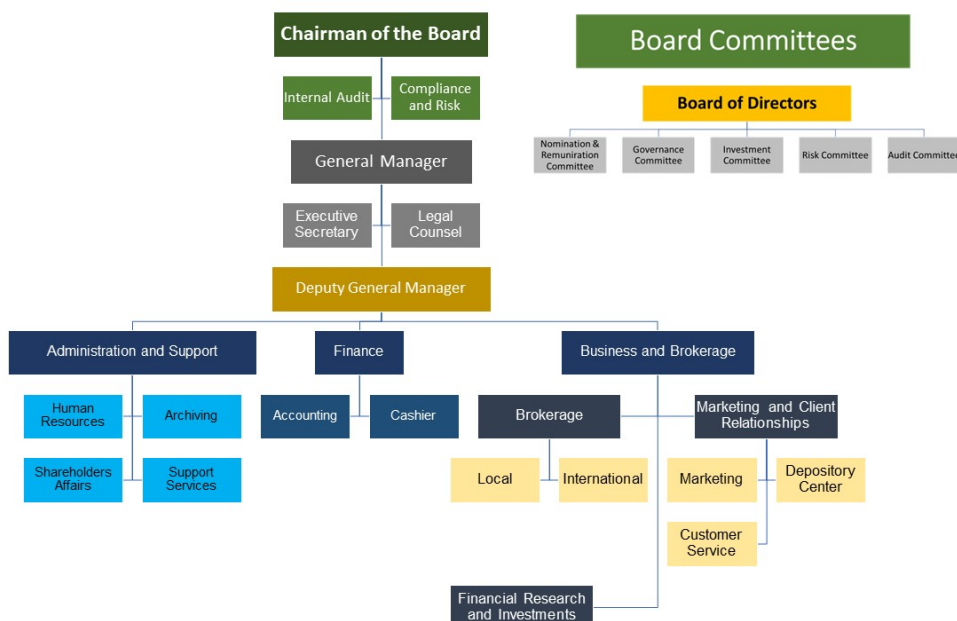
7.A- There is no governmental protection or privileges for the company or any of its products under laws and regulations or others.

B- There are no patents or franchises obtained by the company.

8.A- There are no decisions issued by the government, international organizations, or others that have a financial impact on the company's business, its products, or its competitiveness.

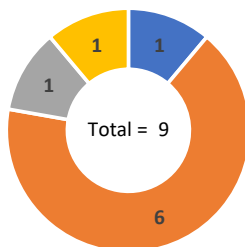
B- International quality standards do not apply to the company.

## 9.A- Company's organizational structure:



## 9.B- Number of Staff and academic qualifications:

### Number of Staff



■ Master's Degree ■ Bachelor's Degree ■ Intermediate Diploma ■ High School

## 9.B- Qualification and training programs for company staff:

#	Qualification and Training Programs	Number of Staff
1	Practical practice on Amman Stock Exchange Trading Rules and Trading Platform	1
2	Global Reporting Initiative (GRI) Training	1
3	Money Laundering and Terrorism Financing Risk Assessment for Entities	1
4	Companies Real Beneficiary Training Course	1



#	Qualification and Training Programs	Number of Staff
5	International Financial Reporting Standard for Small and Medium-sized Entities	1

**10. Risks that the company may be exposed to during the following fiscal year that may be material are volatility of stock prices and credit risk that may arise due to non-payment by debtors which may cause a fall in available liquidity.**

**11. Achievements of the company during 2023:**

- Activate digital remote work environment within the company and achieve full integration with the digital archiving system using advanced software solutions.
- Implement an advanced Clients electronic trading program, featuring lower trading commission to encourage using the usage of the system. Cyber protection system was introduced coupled with an advanced firewall to fully protect data while the electronic trading system is in use.
- Implement cloud-based systems high availability and disaster recovery.
- Digitize fixed assets register.
- Digitize the company's HR operations.
- Digitize settlement of bank accounts.
- Reinforce approach to risk management through:
  - Digital risk systems to prevent accidental clients' overdraft and financing of undesirable shares.
  - Advanced digital invoice issuing and archiving processes.
  - Digital clients signature request and verification
  - Digital control of company's expenses to totally align with the budget.
  - Risk management system to insure dual entry and verification level for all entries.
  - Enhancement of the internal audit function to ensure compliance and protection.
  - Digitize compliance processes.
  - Staff capabilities and skills development through continuous training.
  - Advanced database access to inquire about current and future clients. At the same time, Alamal is working on linking to OFAC, EU and UN lists via (Manaf) Software.
- Continuous efforts to collect receivables within legal applicable means.

As a result of the forward-looking plans and actions to develop business, diversify investment and improve returns, the Company achieved JOD 234 thousand profits before tax and shareholders' equity increased to JOD 13.5 million.

12. There were no financial impacts on operations due to non-recurring events in 2023.

13. Time series of profits or losses, shareholders' equity, share price and dividends:

Amounts in JOD

Time Series	2019	2020	2021	2022	2023
Net Profit (Loss) after tax	417,792	781,801	1,353,405	444,408	221,361
Dividends	-	-	-	-	-
Shareholders' Equity	10,845,949	11,626,962	12,929,540	13,104,000	13,444,089
Share Closing Price	0.670	0.640	1.000	0.950	0.940

14. Analysis of the company's financial position and results in 2023:

Data/Ratio	2022	2023
Share Book Value JOD	0.874	0.896
Cash Ratio %	13.97	15.591
Return on Shareholders' Equity %	3.39	1.647
Cash to Current Liabilities Ratio	7.32	5.803
Earnings Per Share JOD	0.030	0.015
Market to Book Value	1.10	1.049
Price Earnings Ratio	31.67	63.697

15. The company's future plan:

2023 was full of challenges. Despite the political turmoil that impacted the region during the last quarter of the year, the economic and monetary indicators in Jordan showed improvement and this is a positive indicator that the Jordanian economy has begun the journey of recovery and growth, this is expected to improve the performance of the Amman Stock Exchange. Naturally 2024 will be full of challenges and surprises, so the company's plan aims at strengthening its competitive advantage and increasing its market share of trading volumes at the Amman Stock Exchange. The Strategic plan revolves around four main pillars:

**Financial Pillar:**

1. Across the board rationalization of expenses.
2. Enhance collection efficiency through all available means, including legal proceedings.
3. Increase revenues through managing the proprietary book and increase the daily trading turnover.
4. Achieve continuous growth in profits and increase value of shareholders' equity.
5. Improve return on equity.

**Market and Customers Pillar:**

1. Digital transformation through the continuous development of service channels and increase usage and utilization of such channels.
2. Focus on spot dealing to improve cash flow.



3. Improve marketing efficiency and strengthen relations with clients, and continuously communicate with them in order to meet their needs and expectations as much as possible.
4. Improve the level of customers' service.
5. Enhance social responsibility.

**Operations Pillar:**

1. Develop systems to improve business quality and facilitate services provided to clients and investors and develop and improve efficiency of digital channels.
2. Use cloud technology for systems high availability and backup.
3. Implement advanced information security policies.
4. Continue to improve operating procedures and matrix of authorities to enable development and acceleration of workflow processes.

**Human Capital Pillar:**

1. Conduct staff training on AML/CFT, compliance, risk, investment management, capital markets and financial analysis.
2. Improve staff performance and communication skills through advanced training courses.
3. Continue implementation and use of the advanced human resource digital system.
4. Implement staff duties and responsibilities to increase quality and efficiency of work.

**16. Audit fees:**

Audit fees paid for the financial year ending 2023 were 23,200 JOD.

**17.A- Number of shares owned by board members as of December 31, 2023, compared to the previous year**

N/S	Name	Position	Nationality	Shares				Ownership and names of companies controlled by any of them
				31/12/2022		31/12/2023		
				Number	PCT	Number	PCT	
1	H.E. Omar Zuheir Abdel Fattah Malhas	Chairman	Jordanian	129,300	0.86%	138,632	0.92%	-
2	Ali Hussain Ali Al-Sada	Vice Chairman	Qatari	8,555,741	57.04%	9,325,679	62.17%	-
3	H.E. Husain Hazza Barakat Majali	Member	Jordanian	42,059	0.28%	50,000	0.33%	-
4	Ma'en Omar Suleiman Al-Masri	Member	Jordanian	25,000	0.17%	50,000	0.33%	-
5	Thabet Issa Ayed Alwir	Member	Jordanian	25,000	0.17%	75,000	0.50%	-
6	Ammar Khaldoun Abdel Fattah Malhas	Member	Jordanian	249,304	1.66%	50,000	0.33%	-
7	Dia Ahmed Mahmoud Nasser	Member	Jordanian	393,863	2.63%	393,863	2.63%	-
8	Bader Ali Hussein Al-Sada	Member	Qatari	1,409,290	9.40%	1,389,935	9.27%	-
9	Ahmad Ibrahim Alsayed AlHashem	Member	Saudi	70,975	0.47%	70,975	0.47%	-

### 17.B- Number of shares owned by senior executive management as of December 31, 2023 compared to the previous year

S/N	Name	Position	Nationality	Shares				Ownership and names of companies controlled by any of them
				31/12/2022		31/12/2023		
				Number	PCT	Number	PCT	
1	Safwat Ismail Ahmad Abu Shammaleh	General Manager	Jordanian	-	-	-	-	-
2	Moutaz Farouk Suleiman Alshami	Deputy General Manager	Jordanian	-	-	-	-	-
3	Samia Mahmoud Suliman AlShahid	CFO From 3-07-2022 until 2-01-2024	Jordanian	-	-	-	-	-
4	Madeha Mohammad Ali Bani Saeed	Compliance Officer	Jordanian	-	-	-	-	-

### 17.C- Number of securities owned by relatives of members of the Board of Directors and relatives of senior executive management:

Securities owned by Board member relatives:

Securities owned by Board member relatives:

Name	Position	Nationality	Shares				Ownership and names of companies controlled by any of them
			31/12/2022		31/12/2023		
			Number	PCT	Number	PCT	
Maysoon Abdel-Moati Eid Al-Tamimi	Wife of Mr. Maan Omar Suleiman Al-Masry - Board Member	Jordanian	100	-	100	-	-

- There no securities owned by senior management relatives.

**D- There are no companies controlled by the Chairman and members of the board of directors and their relatives .**

**E- There are no companies controlled by senior management persons and their relatives.**





#### 18.A- Benefits and bonuses paid to the Chairman and members of the Board of Directors in 2023:

S/N	Name	Position	Annual Benefits and Bonuses JOD				
			Total Annual Salaries	Transportation Allowance	Bonus	Travel	Total
1	H.E. Omar Zuheir Abdel Fattah Malhas	Chairman	-	90,000	-	-	90,000
2	Ali Hussain Ali Al-Sada	Vice Chairman	-	12,000	-	-	12,000
3	H.E. Husain Hazza Barakat Majali	Member	-	12,000	-	-	12,000
4	Ma'en Omar Suleiman Al-Masri	Member	-	12,000	-	-	12,000
5	Thabet Issa Ayed Alwir	Member	-	9,903	-	-	9,903
6	Ammar Khaldoun Abdel Fattah Malhas	Member	-	12,000	-	-	12,000
7	Dia Ahmed Mahmoud Nasser	Member	-	12,000	-	-	12,000
8	Bader Ali Hussein Al-Sada	Member	-	5,903	-	-	5,903
9	Ahmad Ibrahim Alsayed AlHashem	Member	-	5,903	-	-	5,903

#### 18.B- Benefits and bonuses paid to current senior executive management in 2023:

S/N	Name	Position	Annual Salaries, Benefits and Bonuses JOD				
			Total Annual Salaries	Transportation Allowance	Bonus	Travel	Total
1	Safwat Ismail Ahmad Abu Shammaleh	General Manager	44,464				44,464
2	Moutaz Farouk Suleiman Alshami	Deputy General Manager	28,778				28,778
3	Samia Mahmoud Suliman AlShahid	CFO From 3-07-2022 until 2-01-2024	20,639				20,639
4	Madeha Mohammad Ali Bani Saeed	Compliance Officer	14,350				14,350

#### 19. Donations and grants in 2023:

Donations in favor of	Amount JOD
Donating to distribute charity packages and ration coupons to needy families - Ma'an Governorate	1,000
Al-Amal Charity (people with disabilities and special needs) – Ghour Alsafi	1,000
Labayek ya Watan Charity - Support underprivileged families to meet winter requirements	1,500
<b>Total</b>	<b>3,500</b>

20. There are no contracts, projects, or engagements that the issuing company has concluded with subsidiary or affiliate companies, or chairman of the board, or board members, or general manager, or any employee of the company or their relatives.

#### 21. Environment Protection

- The Company transitioned to a paperless business environment, by implementing a full state of the art company-wide optical archiving system.
- Recycle paper to contribute to environmental protection.

## Corporate Social Responsibility

- Charity parcels to underprivileged families – Madaba Governorate.
- Support charities that cater for people with disabilities and special needs – Ghour Alsafi.
- Support underprivileged families to meet winter requirements – Ma'an Governorate.

## Board of Directors Report on Corporate Governance for the year 2023

### A. Details and Information regarding the application and implementation of Corporate Governance rules and regulations.

The Company is aiming to protect its investors and shareholders by separating the authorities between the executive management and the Board of Directors to enhance the confidence of the shareholders.

The company is committed in practicing and implementing corporate governance rules and regulations to achieve the balance between the interests of the company's management, shareholders, and the Board of Directors by nominating experienced and competent members of the Board of Directors and Executive Management to ensure the integrity of financial statements, developing risk management system and implementing advanced internal audit control to promote professional behavior and ethical values, and transparency to preserve shareholders' rights to improve company's performance and efficiency.

Additionally, the company is paying careful attention to the rights of its current and potential shareholders and is aiming to provide all the data and information needed without affecting the company's integrity either to them personally or via the company's official e-mail address [info@alamal.com.jo](mailto:info@alamal.com.jo) or through the investor's relations portal on the company's website [www.alamal.com.jo](http://www.alamal.com.jo).

### B. Names of current and resigned members of the Board of Directors during the year and status.

Board Member	Member Since	Position	independent/ non-independent	executive/ non-executive	condition
H.E. Omar Zuheir Abdel Fattah Malhas	10/05/2023	Chairman	non-independent	non-executive	Current member
Ali Hussain Ali Al-Sada	10/05/2023	Vice Chairman	non-independent	non-executive	Current member
H.E. Husain Hazza Barakat Majali	10/05/2023	Member	non-independent	non-executive	Current member
Ma'en Omar Suleiman Al-Masri	10/05/2023	Member	independent	non-executive	Current member
Thabet Issa Ayed Alwir	04/07/2023	Member	independent	non-executive	Current member
Ammar Khaldoun Abdel Fattah Malhas	10/05/2023	Member	independent	non-executive	Current member
Dia Ahmed Mahmoud Nasser	10/05/2023	Member	independent	non-executive	Current member
Bader Ali Hussein Al-Sada	04/07/2023	Member	non-independent	non-executive	Current member
Ahmad Ibrahim Alsayed AlHashem	04/07/2023	Member	independent	non-executive	Current member



#### C. Representatives of legal/corporate board members and status.

There were no legal/corporate board members in 2023.

#### D. Senior management as in 31-12-2023

Name	Position
Safwat Ismail Ahmad Abu Shammaleh	General Manager
Moutaz Farouk Suleiman Alshami	Deputy General Manager
Samia Mahmoud Suliman AlShahid	CFO From 3-07-2022 until 02-01-2024
Madeha Mohammad Ali Bani Saeed	Compliance Officer

#### E. Memberships of board members in other public shareholding companies

Name	Position	Public Shareholding Company
Ammar Khaldoun Abdel Fattah Malhas	Board Member	Al Hayat Pharmaceutical Industries

#### F. Name of the corporate governance liaison officer.

Moutaz Farouk Suleiman Al Shami.

#### G. Board of Directors Committees.

- Audit Committee
- Nomination and Remuneration Committee
- Investment Committee
- Governance Committee
- Risk Committee

#### H. Chairman and members of the Audit Committee and summary of their qualifications.

Chairman of Audit Committee	Thabet Issa Ayed Alwir
Academic Qualifications	1980 Bachelor's Degree / Agricultural Machinery Engineering from Oklahoma State University / USA
Current positions	<ul style="list-style-type: none"> <li>• Chairman of the Board of Directors of the First Sabeel Investment Projects Company</li> <li>• The International Water Company (Qatar)</li> <li>• Aqua Investments Company.</li> </ul>
Previous Memberships	<ul style="list-style-type: none"> <li>• President of the Investment Authority</li> <li>• Chairman of the Board of Directors of the Zarqa Chamber of Industry</li> <li>• Member of the Board of Directors of the Jordan Chamber of Industry</li> <li>• Member of the Board of Directors / Social Security Corporation</li> <li>• Member of the Board of Directors of the Housing Bank for Trade and Finance</li> </ul>

Chairman of Audit Committee	Thabet Issa Ayed Alwir
	<ul style="list-style-type: none"> <li>Member - Scientific Research Council / University of Jordan</li> <li>Member of the Board - Al-Rai Newspaper</li> </ul>

Member of Audit Committee	H.E. Husain Hazza Barakat Majali
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>Master's degree in military sciences / Mutah University 2000.</li> <li>BA in Military Administration / Mutah University 1994.</li> <li>BA in Political Science / USA 1981.</li> </ul>
<b>Important positions held</b>	<ul style="list-style-type: none"> <li>Minister of Interior from 30/3/2013 to 18/5/2015.</li> <li>General / Director of Public Security - from 10/5/2010 till 30/3/2013.</li> <li>The Kingdom's ambassador to the Kingdom of Bahrain from January 2005 to May 2010.</li> <li>Major General in the Jordanian Armed Forces on July 1, 2002.</li> <li>Senior private security officer in the Royal Private Guard.</li> <li>Military escort of His Highness Prince Mohammed bin Talal.</li> <li>Commander of the Hamza bin Abdul Muttalib Brigade (Master of the Martyrs), the Royal Guard.</li> <li>Commander of the Royal Military College.</li> <li>Land Forces Director - Royal War College.</li> </ul>

Member of Audit Committee	Ammar Khaldoun Abdel Fattah Malhas
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>1981MSc in Structural Engineering from the University of Wisconsin - Milwaukee / America.</li> <li>1980Bachelor's in Civil Engineering from the University of Wisconsin - Milwaukee / America.</li> </ul>
<b>Practical experiences</b>	<ul style="list-style-type: none"> <li>2014 to date Member of the Board of Directors of Al-Hayat Pharmaceutical Industries (Public Shareholding).</li> <li>1984 to date, Chairman and Partner of the Jordanian Ammon Construction Company (Limited Liability).</li> <li>2008-2011 Member of the Board of Trustees at Franklin University - Lugano / Switzerland</li> <li>2008-2010 General Manager and Chairman of the Board of Directors of Ammon Emirates Construction Company / Abu Dhabi - UAE.</li> <li>2003-2006 Member of the Board of Trustees and Chairman of the Buildings Committee at the King's Academy</li> <li>2001-2006 Engineering Adviser in the Royal Hashemite Court</li> <li>Work experience of nearly 40 years in the fields of administration, engineering and construction</li> </ul>



**I. Name of the Chairman and members of the Nomination and Remuneration Committee, the Investment Committee, the Governance Committee, and the Risk Management Committee.**

**Nomination and Remuneration Committee**

- Dia Ahmed Mahmoud Nasser – Chairman.
- H.E. Omar Zuheir Abdel Fattah Malhas – Member.
- Ma'en Omar Suleiman Al-Masri – Member.

**Investment Committee**

- Dia Ahmed Mahmoud Nasser - Chairman.
- H.E. Omar Zuheir Abdel Fattah Malhas - Member.
- Ali Hussain Ali Al-Sada – Member.
- Ammar Khaldoun Abdel Fattah Malhas – Member.
- Bader Ali Hussein Al-Sada – Member.

**Governance Committee**

- Ma'en Omar Suleiman Al-Masri – Chairman.
- Bader Ali Hussein Al-Sada – Member.
- Ahmad Ibrahim Alsayed AlHashem – Member.

**Risk Committee**

- Ammar Khaldoun Abdel Fattah Malhas - Chairman
- H.E. Husain Hazza Barakat Majali – Member
- Thabet Issa Ayed Alwir - Member.
- Bader Ali Hussein Al-Sada – Member.
- Ahmad Ibrahim Alsayed AlHashem – Member.

**J. The number of meetings of each committee during the year with an indication of the members present.**

**Audit Committee**

**2023 Meetings**

		Name / Position		
Meeting		Thabet Issa Ayed Alwir	H.E. Husain Haza Barakat Al Majali	Ammar Khaldoun Abdel Fattah Malhas
No.	Date	Chairman	Member	Member
1	08/01/2023	Attended	Attended	Attended
2	12/02/2023	Attended	Attended	Absent
3	19/04/2023	Attended	Attended	Attended
4	27/04/2023	Attended	Attended	Attended
5	26/07/2023	Attended	Attended	Attended
6	26/07/2023	Attended	Attended	Attended
7	19/10/2023	Attended	Attended	Attended
8	29/10/2023	Attended	Attended	Attended

## Nomination and Remuneration

### 2023 Meetings

Name	Position	Meeting 1	Meeting 2
		03-01-2023	31-12-2023
Dia Ahmed Mahmoud Nasser	Chairman	Attended	Attended
H.E. Omar Zuheir Abdel Fattah Malhas	Member	Attended	Attended
Ma'en Omar Suleiman Al-Masri	Member	Attended	Attended

## Governance Committee

### 2023 Meetings

Name	Position	Meeting 1	Meeting 2
		12-12-2023	14-12-2023
Ma'en Omar Suleiman Al-Masri	Chairman	Attended	Attended
Bader Ali Hussein Al-Sada	Member	Attended	Attended
Ahmad Ibrahim Alsayed AlHashem	Member	Attended	Attended

## Risk Committee

### 2023 Meetings

Name	Position	Meeting 1	Meeting 2
		28/11/2023	03/12/2023
Ammar Khaldoun Abdel Fattah Malhas	Chairman	Attended	Attended
H.E. Husain Hazza Barakat Majali	Member	Attended	Attended
Thabet Issa Ayed Alwir	Member	Attended	Attended
Bader Ali Hussein Al-Sada	Member	Attended	Attended
Ahmad Ibrahim Alsayed AlHashem	Member	Attended	Attended

### K. Number of meetings of the audit committee with the external auditor during the year.

Audit Committee held 4 meetings with external auditors during 2023.

### L. Number of board meetings during the year and attendance

The Board of Directors held 7 meetings during 2023.





## Risk Committee

### 2023 Meetings

Name	Position	Meeting 1	Meeting 2
		28/11/23	03/12/23
Ammar Khaldoun Abdel Fattah Malhas	Chairman	Attended	Attended
H.E. Husain Haza Barakat Al Majali	Member	Attended	Attended
Thabet Issa Ayed Alwir	Member	Attended	Attended
Bader Ali Hussein Al-Sada	Member	Attended	Attended
Ahmad Ibrahim Alsayed AlHashem	Member	Attended	Attended

### K. Number of meetings of the audit committee with the external auditor during the year.

Audit Committee held 4 meetings with external auditors during 2023.

### L. Number of board meetings during the year and attendance

The Board of Directors held 7 meetings during 2023.

## Board of Directors

### 2023 Meetings

Name	Position	Meeting 1	Meeting 2	Meeting 3	Meeting 4	Meeting 5	Meeting 6	Meeting 7
		19/2/23	27/4/23	10/5/23	11/6/23	4/7/23	26/7/24	29/10/24
H.E. Omar Zuheir Abdel Fattah Malhas	Chairman	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Ali Hussain Ali Al-Sada	Vice Chairman	Attended	Attended	Attended	Attended	Attended	Attended	Attended
H.E. Husain Haza Barakat Al Majali	Member	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Ma'en Omar Suleiman Al-Masri	Member	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Thabet Issa Ayed Alwir	Member	Attended	Attended	Attended		Attended	Attended	Attended
Ammar Khaldoun Abdel Fattah Malhas	Member	Absent	Attended	Attended	Attended	Attended	Attended	Attended
Dia Ahmed Mahmoud Nasser	Member	Attended	Absent	Attended	Absent	Attended	Attended	Attended
Bader Ali Hussein Al-Sada	Member					Attended	Attended	Attended
Ahmad Ibrahim Alsayed AlHashem	Member					Attended	Attended	Attended

### Chairman of the Board of Directors

Omar Z. Malhas

#### Required Affidavits:




- Aside from receivables due from clients that were not duly collected by the previous management which may fundamentally affect the continuity of the company, the Board acknowledges, within the limits of the information available to it in the company's records, that there are no additional fundamental matters that may affect the company's continuity during the following financial year.
- The Board of Directors acknowledges responsibility for the preparation of financial statements and instating an effective control system in 2023.

Board Member	Position	Signature
H.E. Omar Zuheir Abdel Fattah Malhas	Chairman	
Ali Hussain Ali Al-Sada	Vice Chairman	
H.E. Husain Haza Barakat Al Majali	Member	
Ma'en Omar Suleiman Al-Masri	Member	
Thabet Issa Ayed Alwir	Member	
Ammar Khaldoun Abdel Fattah Malhas	Member	
Dia Ahmed Mahmoud Nasser	Member	
Bader Ali Hussein Al-Sada	Member	
Ahmad Ibrahim Alsayed AlHashem	Member	





- We, the undersigned, hereby acknowledge that the information and data contained in the 2023 annual report are correct, accurate, and complete.

Name	Position	Signature
H.E. Omar Zuheir Abdel Fattah Malhas	Chairman	
Safwat Ismail Ahmad Abu Shammaleh	General Manager	
Abdullah Khaled Abdullah Al-Jahmani	Acting CFO	

**INDEPENDENT AUDITOR'S REPORT**  
**To the Shareholders of Al Amal Financial Investments Company**  
**Public Shareholding Company**  
**Amman - Jordan**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Al Amal Financial Investments Company P.L.C (the Company), which comprise the statement of financial position as at 31 December 2023, and the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International *Code of Ethics for Professional Accountants* (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

<b>1. Adequacy of expected credit losses allowance for trade receivables and margin receivables.</b>	
<p><b>Key Audit matter</b></p> <p>Trade receivables are considered significant for the Company, as it represents 21% of the total assets of the Company as of 31 December 2023.</p> <p>The expected credit losses allowance for trade receivables and margin receivables is set based on the Company's policy which is in line with IFRS (9).</p> <p>The risks related to the accuracy of the booked impairment consist of the use of incorrect information or unrealistic assumptions, these assumptions include determining the recoverability of receivables, which depends on management estimates.</p> <p>The management takes into consideration when preparing these assumptions specific factors including the age of receivables, disputes with customers, collection patterns for previous periods and any other information available about the creditworthiness of the customers. Management uses this information to determine the ECL from customers and whether there is a need to record a provision for receivables either for a specific transaction or for the entire customer balance.</p> <p>Our focus on this matter is as a result of the fact that this provision is based on management's estimates in this regard, and that the provision to be recorded may have a material impact on the Company's profits.</p> <p>Trade receivables (Note 4) amounted to JD 2,498,233 and the expected credit losses allowance amounted to JD 2,319,908. Margin receivables (Note 5) amounted to JD 4,023,765 and the expected credit losses allowance amount to JD 1,271,290 as of 31 December 2023.</p> <p>The expected credit loss policies is presented in the material accounting policies used in the preparation of these financial statements in (Note 2-3).</p>	<p><b>Scope of Audit procedures to Address the key audit matter</b></p> <p>Audit procedures includes the following:</p> <p>We have read and understood the Company's policy in estimating provisions compared with the requirements of IFRS (9).</p> <p>We have evaluated the Company's expected credit loss model, with a special focus on the suitability of the Company's expected credit losses model and the methodology with the requirements of IFRS (9).</p> <p>We have examined a sample of trade and margin receivables individually, and we have performed the following procedures to assess the below:</p> <ul style="list-style-type: none"> <li>- Evaluate the reasonableness of estimates and assumptions used by the Company's management in regard to the mechanism used for estimating the allowance expected credit losses.</li> <li>- Examine and compare the market value of customers investment portfolios compared to their book value.</li> <li>- We have tested a sample of key items from trade and margin receivables to assess their recoverability based on management's estimates. We have also checked whether these balances exceeded the due date and collection date for the customer and if any payments were received after the end of the year up to the date of completing our audit procedures.</li> </ul>

**Other information included in the AI Amal for Financial Investments Company 2023 annual report.**

Other information consists of the information included in The Company's Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguard applied.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

The Company maintains proper books of accounts which are in agreement with the financial statements.

The partner in charge of the audit resulting in this auditor's report was Osama Fayez Shakhathreh; license number 1079.

Amman – Jordan  
12 March 2024

**ERNST & YOUNG**  
Amman - Jordan

**AL AMAL FINANCIAL INVESTMENTS COMPANY (PUBLIC SHAREHOLDING COMPANY)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

	Notes	2023	2022
		JD	JD
<b><u>ASSETS</u></b>			
Cash on hand and at banks	3	2,784,063	3,537,335
Trade receivables	4	178,325	220,211
Margin receivables	5	2,752,466	3,416,091
Other current assets	6	212,783	167,178
Financial assets at fair value through income	8	4,695,937	3,234,177
Financial assets at fair value through other comprehensive income	8	980,023	1,235,166
Payments on the investment account	8	466,800	-
Investment properties	14	1,165,105	1,163,995
Property and equipment	7	219,409	181,417
Deferred tax assets	12	468,949	434,886
<b>Total assets</b>		<b>13,923,860</b>	<b>13,590,456</b>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Liabilities</b>			
Trade payables	9	309,583	339,254
Other current liabilities	10	133,791	147,202
Income tax provision	12	36,397	-
<b>Total liabilities</b>		<b>479,771</b>	<b>486,456</b>
<b>Equity</b>			
Paid in capital	1	15,000,000	15,000,000
Statutory reserve	11	1,999,287	1,975,855
Fair value reserve	8	(423,402)	(494,957)
Accumulated losses		(3,131,796)	(3,376,898)
<b>Net equity</b>		<b>13,444,089</b>	<b>13,104,000</b>
<b>Total liabilities and equity</b>		<b>13,923,860</b>	<b>13,590,456</b>

The accompanying notes from 1 to 23 are part of these financial statements and should be read with them

**AL AMAL FINANCIAL INVESTMENTS COMPANY (PUBLIC SHAREHOLDING COMPANY)**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	<u>Notes</u>	<u>2023</u> JD	<u>2022</u> JD
<b>Revenues</b>			
Brokerage commissions		33,404	75,907
Margin finance commissions		16,953	24,069
Margin finance interest income		442,231	361,081
Interest income		86,679	65,820
Dividends revenue		188,376	85,400
Impairment loss recovery on investment properties	14	9,282	-
Reversal of provision for expected credit losses	4,5	148,367	1,280,004
Other revenue		4,663	36,605
Gain from revaluation of financial assets at fair value through income	8	347,435	-
<b>Total revenues</b>		<u>1,277,390</u>	<u>1,928,886</u>
<b>Expenses</b>			
Salaries, wages and benefits		(183,293)	(184,596)
Stock exchange fees		(35,094)	(39,280)
Bank Charges		(5,338)	(3,143)
General and administrative expenses	15	(511,472)	(503,015)
Impairment loss on investment properties	14	-	(9,282)
Provision for expected credit losses	4,5,6	(279,302)	(108,438)
Losses of financial assets at fair value through income	8	(28,570)	(199,332)
<b>Total expenses</b>		<u>(1,043,069)</u>	<u>(1,047,086)</u>
<b>Profit for the year before income tax</b>		234,321	881,800
Income tax expense	12	(12,960)	(437,392)
<b>Profit for the year</b>		<u>221,361</u>	<u>444,408</u>
		<u>Fils /JD</u>	<u>Fils /JD</u>
Basic and diluted earnings per share from profit for the year	21	<u>0/015</u>	<u>0/030</u>

The accompanying notes from 1 to 23 are part of these financial statements and should be read with them



**AL AMAL FINANCIAL INVESTMENTS COMPANY (PUBLIC SHAREHOLDING COMPANY)**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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	<u>2023</u>	<u>2022</u>
	JD	JD
<b>Profit for the year</b>	221,361	444,408
<b>Add: Other comprehensive income items that will not be reclassified to profit or loss in subsequent periods</b>		
Profit (loss) on revaluation of financial assets at fair value through other comprehensive income	<u>118,728</u>	<u>(269,948)</u>
<b>Total comprehensive income for the year</b>	<u><u>340,089</u></u>	<u><u>174,460</u></u>

The accompanying notes from 1 to 23 are part of these financial statements and should be read with them

**AL AMAL FINANCIAL INVESTMENTS COMPANY (PUBLIC SHAREHOLDING COMPANY)**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Paid in capital JD	Statutory reserve JD	Fair value reserve JD	Accumulated losses JD	Total JD
<b>2023 -</b>					
<b>Balance as of 1 January 2023</b>	15,000,000	1,975,855	(494,957)	(3,376,898)	13,104,000
Total comprehensive income for the year	-	-	118,728	221,361	340,089
Gains from the sale of financial assets through other comprehensive income (Note 8)	-	-	(47,173)	47,173	-
Transfer to statutory reserve	-	23,432	-	(23,432)	-
<b>Balance as of 31 December 2023</b>	<u>15,000,000</u>	<u>1,999,287</u>	<u>(423,402)</u>	<u>(3,131,796)</u>	<u>13,444,089</u>
<b>2022 -</b>					
<b>Balance as of 1 January 2022</b>	15,000,000	1,887,675	(226,215)	(3,731,920)	12,929,540
Total comprehensive income for the year	-	-	(269,948)	444,408	174,460
Losses from the sale of financial assets through other comprehensive income	-	-	1,206	(1,206)	-
Transfer to statutory reserve	-	88,180	-	(88,180)	-
<b>Balance as of 31 December 2022</b>	<u>15,000,000</u>	<u>1,975,855</u>	<u>(494,957)</u>	<u>(3,376,898)</u>	<u>13,104,000</u>

**AL AMAL FINANCIAL INVESTMENTS COMPANY (PUBLIC SHAREHOLDING COMPANY)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 JD	2022 JD
<b><u>Operating Activities</u></b>			
Profit for the year before income tax		234,321	881,800
<b>Adjustments for -</b>			
Provision for expected credit losses, Net	4,5,6	130,935	(1,192,972)
Depreciation	7,14	69,447	55,686
Bank charges		5,338	3,143
(Gains) losses from revaluation of financial assets at fair value through income		(318,865)	199,332
Dividends revenue		(188,376)	(85,400)
Margin finance interest income		(442,231)	(361,081)
Interest Income		(86,679)	(65,820)
(Impairment loss recovery) impairment loss on investment properties	14	(9,282)	9,282
<b>Working capital changes -</b>			
Change of customers' accounts		74,598	(133,640)
Margin receivables		498,885	130,166
Trade receivables		75,703	2,640,760
Other current assets		(45,605)	(6,733)
Trade payables		(29,671)	156,149
Other current liabilities		(13,411)	(96,777)
Income tax paid	12	(10,626)	(6,357)
<b>Net cash flows (used in) from operating activities</b>		<b>(55,519)</b>	<b>2,127,538</b>
<b><u>Investing Activities</u></b>			
Purchases of property and equipment	7	(99,267)	(25,927)
Margin finance interest income received		442,231	361,081
Interest income received		86,679	65,820
Dividends received		188,376	85,400
Proceeds from sale of financial assets at fair value through income		458,388	-
Proceeds from sale of investments at fair value through the statement of other comprehensive income		580,386	17,014
Payments on the investment account		(466,800)	
Purchases of financial assets at fair value through the statement of other comprehensive income		(207,267)	-
Purchases of financial assets at fair value through income		(1,600,543)	(1,812,181)
<b>Net cash flows used in investing activities</b>		<b>(617,817)</b>	<b>(1,308,793)</b>
<b><u>Financing Activities</u></b>			
Bank charges		(5,338)	(3,143)
<b>Net cash flows used in financing activities</b>		<b>(5,338)</b>	<b>(3,143)</b>
<b>(Decrease) increase in cash and cash equivalent</b>		<b>(678,674)</b>	<b>815,602</b>
Cash and cash equivalent at the beginning of the year		3,200,562	2,384,960
<b>Cash and cash equivalent at the end of the year</b>	3	<b>2,521,888</b>	<b>3,200,562</b>

The accompanying notes from 1 to 23 are part of these financial statements and should be read with them

## **1- General**

Al-Amal Financial Investments Company ("the Company") is a Jordanian Public Shareholding Company registered on 17 October 2005 under commercial registration number (370) after the change of its legal form, from a Limited Liability Company to a Public Shareholding Company. The Company's paid in capital is JD 15,000,000 divided into 15,000,000 shares; with a par value of one JD per share.

The main activities of the Company are to perform commission brokerage business, dealing with securities for its own account, providing financial consulting, leasing and mortgage of movable and immovable assets for the purposes of achieving the Company's objectives, borrowing from banks, buying, renting, pledging and importing any of movable and immovable assets or any rights or privileges deemed necessary by the Company or suitable for their purposes, including land, building, machinery, means of transport or goods and to establish, assess, act and make necessary changes when necessary or appropriate for the purposes and objectives of the Company.

The financial statements were approved by the board of directors on 13 February 2024.

The Company's headquarter is located in Amman, Housing Bank Complex, Queen Noor Street.

## **2- Accounting Policies**

### **(2-1) Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board.

The financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income and financial assets at fair value through income that have been measured at fair value on the date of the financial statements.

The financial statements are presented in Jordanian Dinar, which represents the functional currency of the Company.

## **(2-2) Changes in accounting policies**

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2022 except for the adoption of new amendments on the standards effective as of 1 January 2023 shown below:

### **IFRS 17 Insurance Contracts**

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005.

IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach),
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

This standard is not applicable to the Company.

### **Definition of Accounting Estimates - Amendments to IAS 8**

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective from 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments had no material impact on the Company financial statements.

### **Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2**

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments are effective from 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments had no material impact on the Company financial statements.

### **Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12**

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments are effective from 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments had no material impact on the Company financial statements.

### **International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12**

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no material impact on the company's financial statements as the company is not in scope of the Pillar Two model rules as its revenue is less than EUR 750 million/ year.

### **(2-3) Material Accounting Policies**

#### **Trade Receivables and Margin Receivables -**

Trade and margin receivables are stated at original invoice amount less an allowance for any expected credit losses. The expected credit losses are calculated using the simplified method in accordance to IFRS 9.

#### **Property and Equipment -**

Property and equipment are stated at cost less accumulated depreciation. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of income.

Property and equipment are depreciated using the straight-line method according to the estimated useful life of assets as follows:

	<u>Annual depreciation rate</u>
Furniture and fixture	10%
Tools and equipment	15%
Decorations	20%
Computer software	25%

When the recoverable amounts of any property and equipment is less than its net book value, its value is reduced to the recoverable amount and the lowest value is recorded in the statement of income.

The useful life of the property and equipment is reviewed at the end of each year, if the expected useful life differs from the previously established estimates, the change in estimate is recorded and accounted for on prospective basis.

**Projects in progress -**

Projects in progress are stated at cost less impairment of value, if any. Cost includes the cost of construction, equipments and other direct costs. Projects in progress are not depreciated until they are completed or substantially completed and become ready for use after which they are transferred to property and equipment or investment properties.

**Accounts payable and Accruals -**

The liabilities for future reimbursable amounts are recognized for goods and services received whether or not claimed by the supplier.

**Provisions -**

Provisions are recognized when the Company has a present obligation (legal or constructive) arising from a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

**Income tax -**

Tax expense represents the taxes payable.

Current income tax is calculated based on the tax rates and laws that are applicable at the statement of financial position date. As the declared profits include non-taxable income or expenses that are not deductible in the fiscal year but in subsequent years, or items that are not subject or deductible for tax purposes.

Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and tax losses and tax credit carry-forwards.

Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.



**Revenue Recognition -**

The Company conducts brokerage activities and financial services, where the revenue is generated at the date of trading, which reflects the required revenue recognition criteria in accordance with IFRS 15.

Interest revenue is recognized on a time basis, by reference to the outstanding principal balance.

Other revenues are recognized on an accrual basis.

**Financial assets at fair value through the statement of other comprehensive income -**

These financial assets represent Investments in equity instruments for the purpose of long-term retention.

These financial assets are initially recognized at fair value plus attributable transaction costs and subsequently measured at fair value. The change in fair value of those assets is presented in the statement of comprehensive income within equity, including the change in fair value resulting from the foreign exchange differences of non-monetary assets. In case those assets – or part of them – were sold, the resultant gain or loss is recorded in the statement of comprehensive income within equity and the fair value reserve for the sold assets is directly transferred to the retained earnings and not through the statement of profit or loss.

These financial assets are no longer subject to impairment testing except for classifying debt instruments as financial assets at fair value through other comprehensive income and the impairment loss is measured according to expected credit loss.

Dividends are recognized in the statement of income.

**Financial assets at fair value through income -**

These assets represent investments in equity instruments for the purpose of profiting from price changes in those stocks.

These assets are recognized upon purchase at fair value in addition to acquisition costs, and subsequently re-valued at fair value.

Financial assets at fair value through income are recorded in the statement of financial position at fair value. The change at fair value is recognized in the income statement.

Dividend income from equity instruments at fair value through income statement is recognized as revenue when the right to payment is established.

**Impairment of financial assets -**

*An overview of expected credit losses*

The adoption of IFRS (9) has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach as of 1 January 2019.

*Calculation of expected credit losses*

The Company has applied the simplified approach of the standard for recording expected credit losses on all financial assets exposed to credit risk and calculating the expected credit loss over the maturity period of these assets. The company prepared a study based on historical experience of credit loss, taking into consideration future factors of debtors and the economic environment.

The financial assets of the company consist of balances and deposits with banks with a credit rating listed within an investment rating (good and very good) classified by accredited investment risk rating agencies, and accordingly, the balances and deposits with banks are considered to have low credit risks. Thus, credit losses for these accounts are measured every 12 months or the maturity date, whichever is earlier. In addition to customers' receivables, which are classified through the company's internal classification system, where credit losses are calculated for good receivables every 12 months and for doubtful receivables over the maturity period of these receivables.

**Impairment of non-financial assets -**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

**Foreign Currency -**

Transactions in currencies other than JOD (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary financial assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing at that date when the fair value was determined and declared by the central bank of Jordan.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Gains or losses that resulted from the retranslation of the foreign currencies are recognized in statement of income.

Exchange differences that resulted from the retranslation of the non-monetary assets and liabilities (such as shares) are recorded as a change of the fair value.

**Cash and Cash Equivalent –**

Cash and cash equivalent represent cash on hand and at banks and financial institutions that are due within a three-month period in which it does not include the risk of change in value.

For the purpose of the statement of cash flows, the cash and cash equivalent includes cash on hand and at banks and short-term deposits with a maturity date of three months or less, after deducting customer balances and restricted balances, if any.

**Offsetting –**

Offsetting between financial assets and financial liabilities and presenting the net amount on the statement of financial position is performed only when there are legally-enforceable rights to offset, the settlement is on a net basis, or the realization of the assets and satisfaction of the liabilities is simultaneous.

**Investments properties –**

Investments properties are measured at cost after deducting the accumulated depreciation (except for lands). Gains or losses arising from changes in the fair values of investments properties are included in the statement of income in the period in which they arise. Operating revenues or expenses for these investments are recorded in the statement of income.

**Fair value -**

Fair value represents the price received in exchange for financial assets sold, or price paid to settle a sale between market participants at the date of financial statements.

The fair value is measured based on the assumption that the sale or purchase transaction of financial assets is facilitated through an active market for financial assets and liabilities respectively. In case there is no active market, a market best fit for financial assets and liabilities is used instead. The Company needs to acquire opportunities to access the active market or the best fit market.

The Company measures the fair value of financial assets and liabilities using the pricing assumptions used by market participants to price financial assets and liabilities, assuming that market participants behave according to their economic interests.

The fair value measurement of non-financial assets considers the ability of market participants to utilize the assets efficiently in order to generate economic benefits, or to sell them to other participants who will utilize them in the best way possible.

The Company uses valuation techniques that are appropriate and commensurate with the circumstances and provides sufficient information for fair value measurement. Also, it illustrates clearly the use of inputs that are directly observable and minimizes the use of inputs that are not directly observed.

The Company uses the following valuation methods and alternatives in measuring and recording the fair value of financial instruments.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have accrued between levels in the hierarchy by reassessing categorization (based on the lowest level input that significant to the fair value measurement as a whole) at the end of each reporting period.

For the disclosure of fair value, the Company classifies assets and liabilities based on their nature, their risk, and the level of fair value measurement.

### **Current vs Non-current**

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is classified as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Other assets classified as non-current asset. A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- that there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Other liabilities classified as non-current liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### **(2-4) Use of Estimates**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions as well as fair value changes reported in other comprehensive income. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

Management believes that the assessments adopted in the financial statements are reasonable, the main estimates were as follows:

- Expected credit loss: Requires the Company's management to determine the expected credit loss for all accounts receivable through establishing significant decisions to estimate future cash flow amounts and duration, in addition to any substantial increase in the credit risk of financial assets after initial recognition. Furthermore, taking into consideration information for future measurement of expected credit losses.

**AL AMAL FINANCIAL INVESTMENTS COMPANY (PUBLIC SHAREHOLDING COMPANY)**  
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- Income tax provision: Income tax expense for the year is calculated in accordance with the applicable laws, regulations and accounting standards, in addition to calculating the required deferred tax assets, liabilities and income tax provision.
- Useful life of property and equipment: Management periodically reassesses the economic useful lives of tangible assets for the purpose of calculating annual depreciation based on the general status of these assets and the assessment of their useful economic lives expected in the future. Impairment loss (if any) is taken to the statement of income.

**3- Cash on hand and at banks**

	2023	2022
	JD	JD
Bank balances – Current accounts	271,888	450,562
Bank balances – Customers' accounts	262,175	336,773
Bank balances – Deposits*	2,250,000	2,750,000
	<u>2,784,063</u>	<u>3,537,335</u>

- \* This account represents deposits with Jordan Commercial Bank in Jordanian dinars which the Company holds on a monthly basis depending to the Company's cash needs. The annual interest rate on these deposits was 4.75% for the year ending 31 December 2023 (31 December 2022: 3.7%).

The Cash and cash equivalents as at 31 December 2023 and 2022 and as shown in statement of cash flows represents cash on hand and at banks balance after deducting customers' accounts balance as follows:

	2023	2022
	JD	JD
Cash and cash equivalent at the end of the year	2,784,063	3,537,335
Bank balances – Customers' accounts	(262,175)	(336,773)
Net cash and cash equivalents in the statement of cash flows	<u>2,521,888</u>	<u>3,200,562</u>

**4- Trade receivables**

	2023	2022
	JD	JD
Trade and brokerage receivables	2,498,233	2,574,360
Less: Provision for expected credit losses *	(2,319,908)	(2,354,149)
	<u>178,325</u>	<u>220,211</u>

**AL AMAL FINANCIAL INVESTMENTS COMPANY (PUBLIC SHAREHOLDING COMPANY)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2023**

\* Movement on the provision for expected credit losses is as follows:

	<u>2023</u>	<u>2022</u>
	JD	JD
Balance at 1 January	2,354,149	2,831,795
Allowance for the year	41,457	10,859
Reversals during the year	(75,274)	(432,686)
Write-off	(424)	(55,819)
Balance at 31 December	<u>2,319,908</u>	<u>2,354,149</u>

Trade receivables aging is as follows:

	<u>1 – 30</u>	<u>31 – 90</u>	<u>91 - 360</u>	<u>More than</u>	<u>Total</u>
	days	days	days	360 days	JD
	JD	JD	JD	JD	JD
31 December 2023	9,767	-	-	168,558	178,325
31 December 2022	20,255	8,516	155,586	35,854	220,211

The Company's management expects to collect the outstanding receivables from customers, as the customers portfolios serves as collateral for these receivables in case of non-collection.

## **5- Margin receivables**

This item represents margin receivables, where the company has provided facilities to margin clients up to 50% initial margin of the market value of the securities at the purchase date, provided that this percentage does not fall below 20% (maintenance margin), which is the minimum contribution of the client to the market value of the securities in their account according to the margin financing instructions for the year 2021 issued by the Securities and Exchange Commission. Additionally, the balance of margin receivables is subject to an interest rate ranging between 8% and 14% calculated on a daily basis.

	<u>2023</u>	<u>2022</u>
	JD	JD
Margin receivables	2,449,984	3,111,133
Due from related parties (Note 13)	<u>1,573,772</u>	<u>1,411,508</u>
	4,023,756	4,522,641
Less: Provision for expected credit losses*	<u>(1,271,290)</u>	<u>(1,106,550)</u>
	2,752,466	3,416,091

**AL AMAL FINANCIAL INVESTMENTS COMPANY (PUBLIC SHAREHOLDING COMPANY)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2023**

\* Movement on the provision for expected credit losses related to margin receivables is as follows:

	2023	2022
	JD	JD
Balance at 1 January	1,106,550	2,200,300
Provision for the year	237,833	76,173
Reversals during the year	(73,093)	(847,318)
Write-off	-	(322,605)
Balance at 31 December	<u>1,271,290</u>	<u>1,106,550</u>

**6- Other current assets**

	2023	2022
	JD	JD
Bank guarantees deposits (Note 16)	83,000	97,400
Prepaid expenses	56,437	26,349
Other receivables	32,953	31,760
Brokerage guarantee fund deposit *	25,000	25,000
Trading settlement	19,217	-
Income tax receivables	17,594	8,075
	<u>234,201</u>	<u>188,584</u>
Less: Provision for expected credit losses against other current assets **	<u>(21,418)</u>	<u>(21,406)</u>
	<u>212,783</u>	<u>167,178</u>

\* This account represents the value of the cash contribution paid by the Company as a financial broker in the Amman Stock Exchange to the settlement guarantee fund in accordance with the Fund's bylaws for the year 2004, which is based on the provisions of Article (90) of the securities Law No. (76) of 2002 which aims to:

- a. Cover the cash deficit of the fund's buyer member for securities.
- b. Cover the deficit in the balance of securities that appears to the member of the seller fund as a result of the trade securities in the market.

The Fund shall at the end of every three months, recalculate the cash contribution amount for each Broker in accordance with the Fund's bylaws, whereby the difference between the Fund and the Broker (if applicable) shall be settled by either increasing, decreasing, or maintaining the Fund's balance as unchanged.



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\*\* Movement on the provision for expected credit losses related to the other assets is as follows:

	2023 JD	2022 JD
Balance at 1 January	21,406	-
Additions during the year	12	21,406
Balance at 31 December	21,418	21,406

**7- Property and equipment**

	Furniture and fixtures JD	Tools and equipment JD	Decorations JD	Computer software JD	Projects in progress JD	Total JD
<b>2023-</b>						
<b>Cost</b>						
Balance at 1 January 2023	26,425	57,897	70,410	127,302	12,350	294,384
Transfers	-	-	-	12,350	(12,350)	-
Additions	-	25,676	-	73,591	-	99,267
Balance at 31 December 2023	26,425	83,573	70,410	213,243	-	393,651
<b>Accumulated Depreciation</b>						
Balance at 1 January 2023	6,054	19,060	24,811	63,042	-	112,967
Depreciation for the year	2,517	11,384	14,082	33,292	-	61,275
Balance at 31 December 2023	8,571	30,444	38,893	96,334	-	174,242
<b>Net book value as of 31 December 2023</b>	17,854	53,129	31,517	116,909	-	219,409
<b>2022-</b>						
<b>Cost</b>						
Balance at 1 January 2022	26,425	57,121	68,909	116,002	-	268,457
Additions	-	776	1,501	11,300	12,350	25,927
Balance at 31 December 2022	26,425	57,897	70,410	127,302	12,350	294,384
<b>Accumulated Depreciation</b>						
Balance at 1 January 2022	3,473	10,668	10,929	40,383	-	65,453
Depreciation for the year	2,581	8,392	13,882	22,659	-	47,514
Balance at 31 December 2022	6,054	19,060	24,811	63,042	-	112,967
<b>Net book value as of 31 December 2022</b>	20,371	38,837	45,599	64,260	12,350	181,417

## **8- Investments in financial assets**

This account represents the Company's investments in financial assets, either for the purpose of benefiting from the price changes of these investments, and thus they are classified as financial assets at fair value through income or for the purpose of long-term retention and not for the purposes of trading, and therefore they are classified as financial assets at fair value through other comprehensive income. The details of these investments according to their classification are as follows:

### **Financial assets at fair value through income**

	2023	2022
	JD	JD
Investment in Jordan Ahli Bank (Quoted)	1,856,431	1,070,000
Investment in SPDR S&P 500 Trust EFT (Quoted)	1,349,880	1,464,336
Investment in Capital Bank of Jordan (Quoted)	684,828	497,870
Investment in Bank al Etihad (Quoted)	653,716	201,971
Jordan Telecommunications Company (Quoted)	129,381	-
Jordan Phosphate Mines Company (Quoted)	21,701	-
	<u>4,695,937</u>	<u>3,234,177</u>

The realized gains resulting from the sale of financial assets at fair value through Income amounted to JD 83,656 during the year 2023, while the unrealized gains from changes in fair value of financial assets through Income amounted to JD 235,209. The company did not record realized gains from financial assets at fair value through Income during the year 2022, while the unrealized losses from changes in fair value of financial assets amounted to JD 199,332.

### **Financial assets at fair value through other comprehensive Income**

	2023	2022
	JD	JD
Investment in Med Gulf for Insurance Company (Quoted)	163,722	190,380
Investment in Credit Card Services Company PSC (Unquoted)	816,301	609,786
Investment in Al- Tajamouat for Touristic Projects Company (Quoted)	-	435,000
	<u>980,023</u>	<u>1,235,166</u>

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The details of the movement on the fair value reserve are as follows:

	Balance as of 1 January 2023 JD	Change in fair value JD	Transferred to accumulated losses JD	Balance as of 31 December 2023 JD
Al- Tajamouat for Touristic Projects Company	(97,880)	145,285	(47,405)	-
Investment in Med Gulf for Insurance Company	(397,077)	(26,557)	232	(423,402)
	<u>(494,957)</u>	<u>118,728</u>	<u>(47,173)</u>	<u>(423,402)</u>

**Payments on the investment account**

This item represents advance payments for investment purposes in the Credit Card Services Company according to the Board of Directors' decision dated 27 December 2023, approving the purchase of 466,800 shares in the company's capital at a price of one JD per share. However, the procedures for this have not been completed with the Companies Control Department as of the financial statements date.

**9- Trade payables**

	2023 JD	2022 JD
Trade payables	306,165	335,327
Due to related parties (Note 13)	3,418	3,927
	<u>309,583</u>	<u>339,254</u>

**10- Other current liabilities**

	2023 JD	2022 JD
Shareholders' profit deposits	120,305	128,571
Ministry of Finance deposits	6,096	-
Underwriting Refundable Deposits for Capital Increase	4,061	4,098
Trading settlement	-	11,204
Outstanding Checks	3,329	3,329
	<u>133,791</u>	<u>147,202</u>

### **11- Statutory reserve**

This item represents the transfers from the annual profits at a rate of 10% of the profit before income tax, and it is non-distributable to shareholders.

### **12- Income tax**

The Company calculated the Income tax provision and deferred tax effect for the years ending on 31 December 2023 and 2022 in accordance with the Jordanian Income Tax Law No. (34) for the year 2014 and its related amendments in 2018 at an income tax rate of 24% and 4% national contribution.

#### **- Income tax expense:**

	<u>2023</u>	<u>2022</u>
	JD	JD
Income tax expense for the year	47,023	-
Effect of deferred tax assets	<u>(34,063)</u>	<u>437,392</u>
	<u>12,960</u>	<u>437,392</u>

#### **- Income tax provision**

The movement on the income tax provision is as follows:

	<u>2023</u>	<u>2022</u>
	JD	JD
Balance at 1 January	-	6,357
Income tax paid	(10,626)	(6,357)
Income tax expense for the year	<u>47,023</u>	<u>-</u>
<b>Balance at 31 December</b>	<u>36,397</u>	<u>-</u>

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The reconciliation between accounting profit and taxable profit is as follows:

	2023	2022
	JD	JD
Accounting profit	234,321	881,800
Tax un-deductible expenses	-	6,971
Net provisions	130,935	(1,192,972)
Unrealized gains from revaluation of financial assets	(263,779)	-
Unrealized losses from revaluation of financial assets	28,570	199,332
(Impairment recovery) Impairment of investment properties	(9,282)	9,282
Less: Realized gains (losses) from sale of financial assets	47,173	(1,206)
Total taxable income	167,938	-
Income tax expense	47,023	-
Impact of deferred tax assets	(34,063)	437,392
Income tax in the income statement	12,960	437,392
Effective tax rate	5.5%	50%
Statutory tax rate	28%	28%

**- The movement on the deferred tax assets is as follows:**

	2023	2022
	JD	JD
Balance as of 1 January *	434,886	872,278
Additions (used) during the year	34,063	(437,392)
Balance as of 31 December	468,949	434,886

\* Deferred tax assets are calculated at a rate of 28% on the provision for credit losses according to management's estimate of the expected limit at which there will be taxable profits available to offset these assets.

**- Tax Status for the Company**

The Company reached a final settlement with the Income and Sales Tax Department until the year 2020.

The company has submitted tax returns for the years 2021 and 2022. However, they have not been reviewed by the Income Tax Department. In the opinion of the company's management and its tax advisor the provision for income tax is sufficient to cover any tax liabilities.

### **13- Transactions with related parties**

Related parties represent major shareholders, directors and key management personnel of the Company, and other related parties and entities controlled by major shareholders. pricing policies and terms of the transactions with related parties are approved by the Company's management.

Below is a summary of balances and transactions with related parties included in the statement of financial position:

	<u>2023</u> JD	<u>2022</u> JD
Margin Receivables- Major shareholders of the Company, directors and other related parties (Note 5)	<u>1,573,772</u>	<u>1,411,508</u>
Trade Payables- Major shareholders of the Company, directors and other related parties (Note 9)	<u>3,418</u>	<u>3,927</u>

Following is a summary of transactions with related parties included in the statement of Income:

Total trading volume and commission for related parties dealt with during the year:

	<u>2023</u> JD	<u>2022</u> JD
Total trading volume - Major shareholders of the Company	4,318,354	7,566,327
Total commission - Major shareholders of the Company	17,878	30,737
Margin finance interest income- Major shareholders of the Company	170,864	89,376

During the year, the Company recorded the following benefits and allowances for the members of the Board of Directors:

	<u>2023</u> JD	<u>2022</u> JD
Transportation allowance for members of the Board of Directors (Note 15)	<u>171,710</u>	<u>144,000</u>

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During the year, the company recorded the following salaries and bonuses for the members of the executive management:

	<u>2023</u>	<u>2022</u>
	JD	JD
Executive Management salaries and remuneration	<u>108,230</u>	<u>125,975</u>

**14- Investment Properties**

During the year 2021, the company reached a settlement with one of its customers to settle their outstanding liability of JD 1,333,181 in exchange for receiving buildings and lands as part of this settlement, after evaluating those investments at their fair value on that date. These properties classified as investments properties, as the company estimated the fair value of real estate investments by engaging an independent real estate expert who assessed the fair value of the real estate investments as of 31 December 2023 at an amount of JD 1,293,758 using the comparative price method (2022: JD 1,275,716).

	<u>Buildings</u>	<u>Land</u>	<u>Total</u>
	JD	JD	JD
<b>2023-</b>			
<b>Cost</b>			
Balance at 1 January 2023	272,395	911,096	1,183,491
Balance at 31 December 2023	<u>272,395</u>	<u>911,096</u>	<u>1,183,491</u>
<b>Accumulated Depreciation and impairment</b>			
Balance at 1 January 2023	19,496	-	19,496
Depreciation for the year	8,172	-	8,172
Impairment recovery of investment properties	(9,282)	-	(9,282)
Balance at 31 December 2023	<u>18,386</u>	<u>-</u>	<u>18,386</u>
<b>Net book value as of 31 December 2023</b>	<u>254,009</u>	<u>911,096</u>	<u>1,165,105</u>
<b>2022-</b>			
<b>Cost</b>			
Balance at 1 January 2022	272,395	911,096	1,183,491
Additions	-	-	-
Balance at 31 December 2022	<u>272,395</u>	<u>911,096</u>	<u>1,183,491</u>
<b>Accumulated Depreciation and impairment</b>			
Balance at 1 January 2022	2,042	-	2,042
Depreciation for the year	8,172	-	8,172
Impairment of investment properties	9,282	-	9,282
Balance at 31 December 2022	<u>19,496</u>	<u>-</u>	<u>19,496</u>
<b>Net book value as of 31 December 2022</b>	<u>252,899</u>	<u>911,096</u>	<u>1,163,995</u>

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**15- General and administrative expenses**

	<u>2023</u>	<u>2022</u>
	JD	JD
BOD transportation (Note 13)	171,710	144,000
Professional and consulting fees	129,901	161,419
Depreciation (Note 7,14)	69,447	55,686
Rent	46,217	39,581
Computer hardware & software maintenance	30,688	22,292
Miscellaneous and other expenses	20,913	27,354
Electricity, water, and telephone	12,485	12,185
Health insurance	12,470	12,528
Cleaning fees	10,079	10,487
Licenses and subscriptions fees	3,689	1,853
Stationery and supplies	1,802	1,778
Hospitality	1,676	4,448
Maintenance	395	2,435
Tax penalties	-	6,969
	<u>511,472</u>	<u>503,015</u>

**16- Contingent liabilities**

The Company at the date of the financial statements has liabilities that may arise, which include:

	<u>2023</u>	<u>2022</u>
	JD	JD
Bank guarantees	<u>640,000</u>	<u>712,000</u>
Deposit securities (Note 6)	<u>83,000</u>	<u>97,400</u>

**Litigations against the Company by others:**

The Company is a defendant in several lawsuits as of 31 December 2023 amounting to JD 9,000 (2022: JD 12,000). The Company's management has analysed the risks related to these issues and their likelihood of occurrence. Accordingly, the Company has taken the necessary provisions. In the opinion of the management and its legal advisor, the provisions taken are sufficient to meet any of these obligations.



## **17- Fair Value Hierarchy**

Fair value of financial assets for the company and determined by the fair value continuously

Some of the company's financial assets are valued at fair value at the end of each financial period, and the following table shows information on how to determine the fair value of these financial assets (valuation methods and inputs used).

Level 1: The market prices announced in the active markets of the same financial instruments.

Level 2: Valuation methods based on inputs that affect the fair value and can be observed directly or indirectly in the market.

Level 3: Valuation techniques that are based on inputs that affect the fair value and are not directly or indirectly observable in the market.

	Fair Value		Fair Value Hierarchy
	31	31	
	December	December	
	2023	2022	
	JD	JD	
<b>Financial Assets at Fair Value:</b>			
Financial Assets at fair value through other comprehensive income	163,722	625,380	Level 1
Financial Assets at fair value through other comprehensive income	816,301	609,786	Level 3
Financial assets at fair value through income	4,695,937	3,234,177	Level 1
<b>Total Financial Assets at Fair Value</b>	<b>5,675,960</b>	<b>4,469,343</b>	

The fair value of the investments properties has been disclosed, calculated using methods falling under Level 3 (Note 14)

## **18- Risk Management**

The Company's management manages risks through a comprehensive policy through which measurement and continuous monitoring are determined, taking into account risk limits and other controls. This risk management process is of utmost importance to the Company in order to ensure the company's lasting profitability. All personnel in the Company are responsible for the risks related to their tasks.

The Company's management reviews and agrees policies for managing each of these risks, which are summarized below:

### **Interest-rate Risk**

Interest-rate risks are the risks that result from fluctuations in fair value or future cash flows of financial instruments caused by changes in the interest rates.

The Company is exposed to interest-rate risks on its assets and liabilities that carry interest such as bank deposits and margin receivables.

The sensitivity of the income statement is the effect of the possible changes in interest rates on a Company's profit for one year, and it is calculated on financial assets and liabilities that carry a variable interest rate as at 31 December 2023.

The following table demonstrates the sensitivity of the statement of comprehensive income to reasonably possible changes in interest rates as of 31 December 2023 and 2022, with all other variables held constant.

	<u>Change in interest rate</u>	<u>Effect on profit for the year</u>
	Basis points	JD
<b>2023-</b> Jordanian Dinar	100	50,025
<b>2022-</b> Jordanian Dinar	100	61,661

### **Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company believes that it is not exposed to a large degree of credit risk, as it sets a credit limit for clients of margin trading accounts to not exceeding 1,000,000 Jordanian Dinar per account, and this is monitored constantly. The maintenance margin for these accounts is more than 20%, which is the minimum maintenance margin as per Jordan Securities Commission instructions. The Company also maintains balances and deposits with leading banking institutions.

### **Currency Risk**

Currency risk All of the Company's transactions are in Jordanian Dinar and therefore there is no effect on the currency risk on the balance sheet.

### **Pricing risk**

The Company is exposed to the risks of the change in share prices on the financial assets at fair value through income portfolio. The Company manages these risks by analysing the value exposed to losses and diversifying investment portfolios. The following table summarizes the impact of increase (decrease) in the securities closing price by 5% over the profit of the year and shareholders' equity before income tax:

	<u>Effect of the change on the income for the year</u>	<u>Effect on equity</u>
	JD	JD
<b>2023-</b>		
Amman Stock Exchange/ U.S Market	234,797	242,983
<b>2022-</b>		
Amman Stock Exchange/ U.S Market	161,709	192,978

If there is negative change the effect equals the change above with changing the sign.

### **Liquidity Risk**

Liquidity risk is represented by the company's inability to provide the financing necessary to fulfil its obligations on its due dates, and the management of liquidity risk requires maintaining adequate cash and the availability of financing through credit ceilings. To prevent these risks, the management will diversify funding sources, manage assets and liabilities, align their deadlines and maintain an adequate balance of cash and cash equivalents and the provision of appropriate financing.

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The table below summarizes the distribution of liabilities (undiscounted) based on the remaining contractual maturity at the date of the financial statements:

	Less than one year	More than one year	Total
	JD	JD	JD
<b>2023-</b>			
<b>Liabilities -</b>			
Trade payables	309,583	-	309,583
Other current liabilities	133,791	-	133,791
<b>Total Liabilities</b>	<b>443,374</b>	<b>-</b>	<b>443,374</b>
<b>2022-</b>			
<b>Liabilities -</b>			
Trade payables	339,254	-	339,254
Other current liabilities	147,202	-	147,202
<b>Total Liabilities</b>	<b>486,456</b>	<b>-</b>	<b>486,456</b>

**19- Segment Information**

	Financial Brokerage Sector	Financial Investments Sector	Total
	JD	JD	JD
<b>31 December 2023 -</b>			
Segment net revenues	741,579	535,811	1,277,390
Segment net expenses	(1,014,499)	(28,570)	(1,043,069)
Segment profit before tax	(272,920)	507,241	234,321
Segment assets	7,781,100	6,142,760	13,923,860
Segment liabilities	479,771	-	479,771
<b>31 December 2022 -</b>			
Segment net revenues	1,843,486	85,400	1,928,886
Segment net expenses	(847,754)	(199,332)	(1,047,086)
Segment profit before tax	995,732	(113,932)	881,800
Segment assets	9,121,113	4,469,343	13,590,456
Segment liabilities	486,456	-	486,456

## **20- Capital Management**

The main objective in relation to the Company's capital management is to ensure that appropriate capital ratios are maintained in a manner that supports the Company's activity and maximizes property rights.

The company manages the capital structure and makes the necessary adjustments to it in light of changes in working conditions. The company has not made any changes to the objectives, policies and procedures related to capital structure during the current year and the previous year.

The items included in the capital structure are paid in capital, statutory reserve, fair value reserve and accumulated losses amounting to JD 13,444,089 as of 31 December 2023 compared to JD 13,104,000 as of 31 December 2022.

## **21- Basic and Diluted Earnings per share from profit for the year**

The details of this item are as follows:

	<u>2023</u>	<u>2022</u>
Profit for the year after tax (JD)	221,361	444,408
Weighted average number of shares (shares)	<u>15,000,000</u>	<u>15,000,000</u>
Basic and diluted earnings per share from profit for the year (Fils / JD)	<u>0/015</u>	<u>0/030</u>

## **22- Standards issued but not yet effective**

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

### **Amendments to IFRS 16: Lease Liability in a Sale and Leaseback**

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

### **Amendments to IAS 1: Classification of Liabilities as Current or Non-current**

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

The amendments are not expected to have a material impact on the Company's financial statements.

### **Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

### **(23) Comparative figures**

Some of financial figures for the year ended 31 December 2022 have been reclassified to correspond with the financial statements figures for the year ended 31 December 2023. The reclassification had no impact on the profit and equity for the year ended 31 December 2022.

